

Mexico: extension of outsourcing reforms

Last Friday, July 30, 2021, the Senate approved the extension of the term for the entry into force of the reforms regarding the outsourcing of personnel, published on April 23, 2021, in the Official Gazette of the Federation.

In order to facilitate compliance with the new obligations, and in response to the express request of multiple companies regarding the need to have a longer period allowing them to conclude with the procedures aimed at regularizing their personnel subcontracting schemes on the internal (insourcing) and external (outsourcing) level, the terms established in the transitory reforms were extended.

Originally, the reforms came into effect on April 24, 2021, in general, consider the following deadlines for the entry into force of the following issues in particular:

- The notice of **registration of the contractors** of services or specialized works before the Ministry of Labor and Social Welfare (STPS), should be obtained no later than August 22, 2021.
- The **transfer of workers** to the beneficiary company, via employer substitution, could be carried out without the need to transfer assets, until July 22, 2021.
- The withdrawal of multiple **employer registrations** for the same class and, where appropriate, the request for a single registration had to be verified no later than July 22, 2021.
- The obligation of the contractors to submit **quarterly reports** to the Mexican Institute of Social Security (IMSS) in relation to the contracts for services or specialized works entered into with their clients, entered into force on July 22, 2021.
- **Employer substitution**, within the following 90 days, counted from the entry into force of the reform, regarding the companies that operated under the outsourcing scheme, as long as they migrate their workers respecting and recognizing labor rights that they had before.

As of the approval of the extension to the entry into force of the reforms, the new term to comply with the aforementioned provisions will be until **September 1, 2021**.